EXHIBIT 1

including the annual financial report

Pernod Ricard

Créateurs de convivialité

Contents

Pernod Ricard

Créateurs de convivialité

including the annual financial report

AUTORITÉ
DES MARCHÉS FINANCIERS
AMF

PERNOD RICARD

At a glance

Excellent FY19, demonstrating clear business acceleration

WORLD N°1
for Premium
and Prestige spirits(a)

>160 COUNTRIES
where our brands
are distributed

400,000
students sensitized on
RESPONSIBLE DRINKING

89 production
SITES(b)

22%
reduction in water
consumption(c)

34%
reduction
in CO_2 emissions(c)

ALEXANDRE RICARD,
Chairman & CEO, declared:

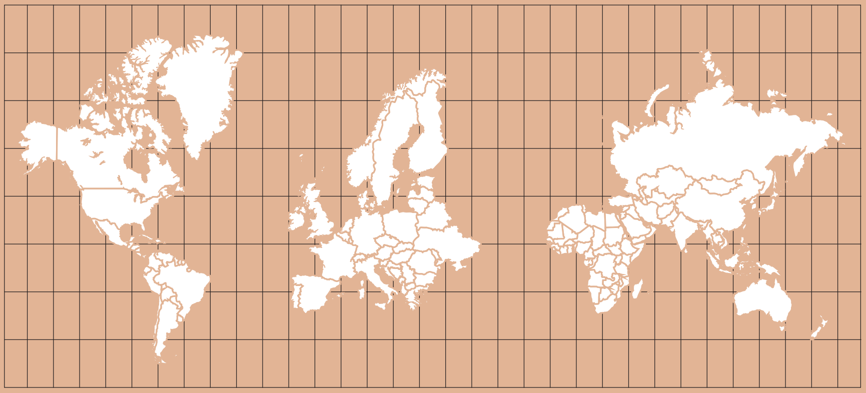
> *“FY19 was an excellent year, demonstrating clear business acceleration, while investing for longterm value creation. Our PRO growth, at +8.7%, is our highest since FY12.*
>
> *For FY20, we will continue implementing our FY19-21 “Transform & Accelerate” plan, with increasing support for our priority brands, markets, strategic investments and Sustainability & Responsibility 2030 Roadmap. In a particularly uncertain environment, our guidance for FY20 is organic growth in PRO of between +5% and +7%.”*

KEY FIGURES

€ million	Net sales	Profit from Recurring Operations	Group Net Profit from Recurring Operations (4)	Group Net Profit	Proposed dividend
FY19	9,182	2,581 28.1%(3)	1,654	1,455	€3.12 per share (5)
Organic growth (2)	+6.0%	+8.7%			
Reported growth	+5.3%	+9.5%			
FY18 (2)	8,722	2,358 27.0%(3)	1,511	1,577	€2.36 per share

(1) *Organic growth is defined on page 152 of this document.*
(2) *FY18 figures restated for IFRS 15 norm application.*
(3) *Operating margin.*
(4) *Group Net Profit from Recurring Operations: Profit from Recurring Operations, adjusted for financial result from recurring operations, recurring income tax, share of net result of associates, profit from assets held for sale, and non-controlling interest.*
(5) *Dividend proposed for approval by the Shareholders’ Meeting of 8 November 2019.*

An international and decentralised group



AMERICA	EUROPE	ASIA/REST OF THE WORLD
€2,545M	€2,672M	€3,965M
€785M	€617M	€1,179M
3,772(d)	9,911(d)	5,415(d)

The decentralised model which characterises Pernod Ricard is a major strategic advantage that enables the Group to seize every opportunity for growth. This highly flexible organisation, based on proximity to consumers and customers, has proven its effectiveness.

The Group is present in the three major regions of the world, both in mature and emerging markets. This is a real competitive advantage, making it well positioned to benefit from future growth drivers.

A unique portfolio of premium brands

Pernod Ricard has built a unique portfolio of Premium brands on an international scale that is one of the most comprehensive on the market. This portfolio is managed thanks to the “House of Brands”, a dynamic tool that allows our affiliates to more efficiently prioritise their marketing investments.

€9,182M
in net sales

€2,581M
Profit from
recurring operations

19,098
employees(d)

WORLD
N°2
for wines and spirits

16 BRANDS
amongst the world's
top 100(e)

94%
of employees are
PROUD to work
for the Group(f)

(a) Source: “The Pernod Ricard Market View”, based on IWSR volume data at end 2018.
(b) Number of sites operating as of 30 June 2019.
(c) Reduction per unit of production between FY 2009/10 and FY 2018/19.
(d) Average workforce during the FY 2018/19.
(e) Source: Impact Databank 2017, published in March 2019.
(f) Source: “iSay” survey 2019.

Section 1

Our purpose

To create the conditions for sustainable growth that respects our environment and our communities and is collectively profitable for all our stakeholders.

B*uilding for the Long Term* was the title of the book written in 2005 by my uncle Patrick Ricard on the 30th anniversary of our Group's creation. A visionary declaration or a subject already relevant 15 years ago, I followed in his footsteps by writing the following message to our employees on 18 December 2018: "Our core purpose is to work together to create the conditions for sustainable growth – growth that respects our environment and our communities and is collectively profitable for all our stakeholders: employees, shareholders, customers, consumers and citizens."

So how gratifying it was to see this ethos promoted in a recent statement signed by the heads of 200 of America's largest firms including Amazon's Jeff Bezos, Apple's Tim Cook, JPMorgan Chase's Jamie Dimon, Boeing's Dennis Muilenburg and General Motor's Mary Barra. In a mission statement published on 19 August, they all declared, "Each of our stakeholders is essential. We commit to deliver value to all of them, for the future success of our companies, our communities and our country." A virtuous circle that reflects the words of BlackRock's Larry Fink, another of the statement's signatories: "Purpose is not the sole pursuit of profits, but the animating force for achieving them."

ALEXANDRE RICARD
CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

It is my sincere belief that profit and purpose are not at odds – in fact they go hand-in-hand. Achieving its purpose is the best way for a company to create the most value – value that is more stable and more robust, as it is to the advantage of all stakeholders. Shareholders who choose to take a long-term view are the primary, but not the only, beneficiaries of lasting value. By definition, achieving purpose means taking a long-term view: it requires creating the conditions for healthy growth built on sustainable fundamentals, the performance of which is measured not solely by financial criteria, but also by social and environmental standards. The prevailing trend is no longer a strictly economic definition of corporate performance, but one of sharing and passing on heritage. This may explain why companies where there has been, and remains, a significant family investment perform better over the long term, as confirmed in The Family Business Model by the Credit Suisse Research Institute. According to this study, over the last nine years, family-owned firms outperformed the benchmark index by 47%.

For Pernod Ricard, these values are not new, as evidenced by the creation of our Oceanographic Institute in 1966. Neither did the Group suddenly define its purpose in response to the recent French Action Plan for Business Growth and Transformation. For us, the term we use has always been 'vision' and ours has long been summed up by three words – *Créateurs de convivialité*. Our entire strategy, business model and organisation are driven by this mission.

Being 'creators of conviviality' means bringing people together in moments of sharing and celebration, occasions that are authentic and sincere, simple and generous, sources of joy and togetherness. By fulfilling this vision, we at Pernod Ricard will ultimately achieve our ambition of leadership. If we ensure that our brands are at the centre of each social interaction, we will become the industry leader.

Fulfilling our vision also means ensuring positive returns for as many people as possible. In essence, conviviality is social. It flourishes in an environment of sharing and of respect for one's host, their culture and environment. Conviviality doesn't tolerate excess. It is measured, open-minded and benevolent. This is the philosophy that underpins our new Sustainability & Responsibility roadmap to 2030, *Good Times from a Good Place,* which we launched this Spring. This roadmap is central to our three-year business strategy *Transform & Accelerate,* with planned investment of hundreds of millions of euros over the next decade.

> "In essence,
> conviviality
> is social.
> It flourishes in a
> spirit of sharing,
> of respect
> for one's host,
> for their culture and
> environment"

Transform & Accelerate is the result of the joint efforts of 1,000 employees who worked tirelessly from January to June 2018 to define it. In its first year, the plan has achieved excellent results – the best since 2012 – which I won't dwell on as they are detailed in the following pages. My aim here is to put this strategy into a broader perspective. It is a story in which we continue to evolve and adapt without ever losing our identity. Being 'long-term' doesn't mean taking our time or avoiding change. On the contrary, change allows us not just to go the distance, but to accelerate to achieve our ambition more quickly. This is what motivates us every day. It's a question of method, of priorities and of mindset.

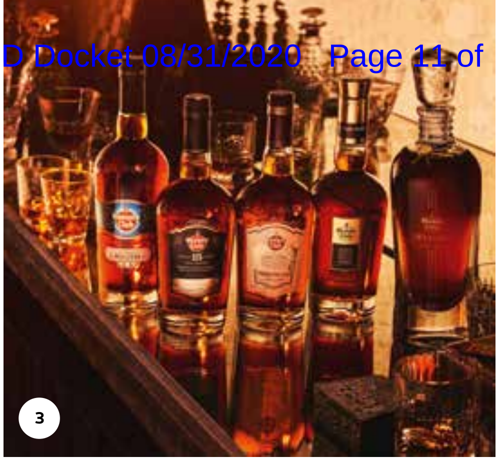
Pernod Ricard boasts amazing talent, producing and distributing a peerless portfolio of brands around the world, from China and India to the United States and Global Travel Retail, our four 'must-win' markets. I am convinced that today we are the best placed in our sector to capture future growth. What better proof than the results of our recent employee survey in which our employees, voiced their confidence in the future? Their commitment is demonstrated in our exceptionally high level of employee engagement and the record subscription rate for our first employee stock ownership plan.

Finally, a long-term vision is also a mitigating factor against cyclical volatility in periods of macroeconomic uncertainty. Strategy with a sense of purpose is the best way to create value even in downturns, as it looks beyond the current cycle. We have always had clarity of purpose. Our focus today is on speed of action.

Happy reading.

Our history: a social & entrepreneurial adventure

2
IRISH WHISKEY
DISTILLED SINC
780
ST.
DIS
ERY
JAMESON
ESTD
1780
TRIPLE DISTILLED
SMOOTH IRISH WHISKEY MADE THE JOHN JAMESON WAY SINCE 1780
IRISH WHISKEY
PRODUCT OF IRELAND



4
THE GLENLIVET
12

6
ABSOLUT VODKA

7

8

9

10

①

1975

Creation of Pernod Ricard from the merger of two French anise-based spirits companies: Pernod, founded in 1805, and Ricard, created in 1932 by Paul Ricard.

②

1988

Acquisition of leading Irish whiskey producer Irish Distillers – owner of Jameson.

③

1993

Creation of joint venture between Pernod Ricard and the Cuban rum company Cuba Ron to market and sell Havana Club.

④

2001

Acquisition of Seagram, securing key positions in whisky (Chivas Regal, The Glenlivet, Royal Salute) and cognac (Martell) categories.

⑤

2005

Acquisition of Allied Domecq, doubling the Group's size to become the world's #2 wine & spirits company, with brands including Mumm and Perrier-Jouët champagnes, Ballantine's whisky, Kahlúa and Malibu liqueurs and Beefeater gin.

Became member of the International Alliance for Responsible Drinking (IARD, formerly ICAP).

2007

Adoption of a code of commercial communications.

⑥

2008

Acquisition of Vin & Sprit – owner of Absolut Vodka.

2010

Adhesion to the United Nations CEO Water Mandate.

⑦

2011

Upgrade of Group's credit rating to investment grade.

Launch of Responsib'ALL Day, Pernod Ricard's annual social engagement volunteer event involving the Group's entire workforce.

2012

Signing of the Wine & Spirits Producers' 5 commitments to promote responsible drinking.

2015

Appointment of Alexandre Ricard as Chairman & CEO.

⑧

2016

Acquisition of majority stake in Black Forest Distillers GmbH – owner of the super-premium gin Monkey 47.

Signing of the United Nation's Sustainable Development Goals.

⑨

2017

Acquisition of majority stake in high-end bourbon producer Smooth Ambler and in Del Maguey Single Village, the #1 mezcal in the United States.

2018

Nomination of Pernod Ricard as a Global Compact LEAD (1) company.

Adhesion to the 'New Plastics Economy' led by the Ellen MacArthur Foundation.

⑩

2019

Acquisition of the super-premium gin Malfy.

Acquisition of majority stake in super-premium Bourbon Rabbit Hole Whiskey.

Launch of new 2030 Sustainability and Responsibility roadmap 'Good Times from a Good Place.'

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(1) https://www.unglobalcompact.org/take-action/leadership/gc-lead

Our decentralised organisation

Decentralisation is a founding principle of our organisation. From the outset, Pernod Ricard has harnessed the potential of decentralisation to encourage consumer-centric decision-making and address customer needs in a timely manner. Decentralisation confers a competitive advantage in an uncertain environment, rendering company operations more flexible, efficient and effective. With an organisation based on respect for each affiliate's operational autonomy and the overall strategic principles defined at the Group level, we can confidently rely on the constant interaction between Headquarters, Brand Companies and Market Companies.

PERNOD RICARD HEADQUARTERS

Headquarters defines, coordinates and oversees the implementation of the overall company strategy and ensures that affiliates comply with corporate policies. Its main responsibilities are: governance functions (strategy, mergers & acquisitions, finance, legal affairs, corporate communications, talent development, S&R, etc.); dissemination of best practices and cross-functional initiatives with high added value (digital marketing, luxury, innovation, etc.); and support functions (supply chain, IT, etc.).

BRAND COMPANIES

THE ABSOLUT COMPANY
CHIVAS BROTHERS
MARTELL MUMM PERRIER-JOUËT
IRISH DISTILLERS
PERNOD RICARD WINEMAKERS
HAVANA CLUB INTERNATIONAL

Based in the home country of each brand, the Brand Companies are responsible for developing the overall strategy for their respective brands, as well as activations that can be implemented at the local level by the Market Companies. They are also responsible for production and management of their industrial facilities.

MARKET COMPANIES

PERNOD RICARD NORTH AMERICA
PERNOD RICARD ASIA
PERNOD RICARD EMEA & LATAM (1)
PERNOD RICARD GLOBAL TRAVEL RETAIL
PERNOD SA
RICARD SA

The Market Companies are each linked to a region (Pernod Ricard North America, Pernod Ricard Asia or Pernod Ricard EMEA & LATAM), with the exception of the Group's two founding Market Companies in France, Pernod SA and Ricard SA. Tasked with implementing the Group's strategy and key policies in their respective markets, the Market Companies' role is to activate the Group's international brand strategies at the local level and manage the local and regional brands in their portfolio.

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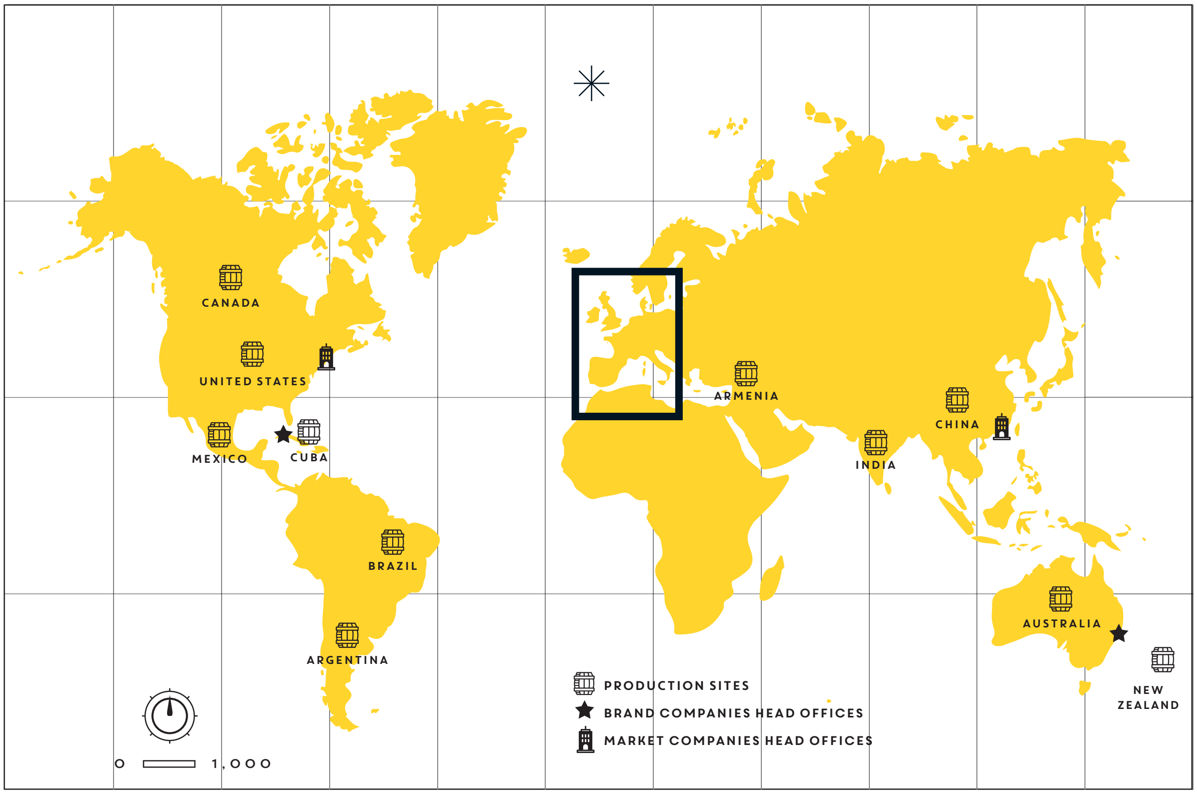
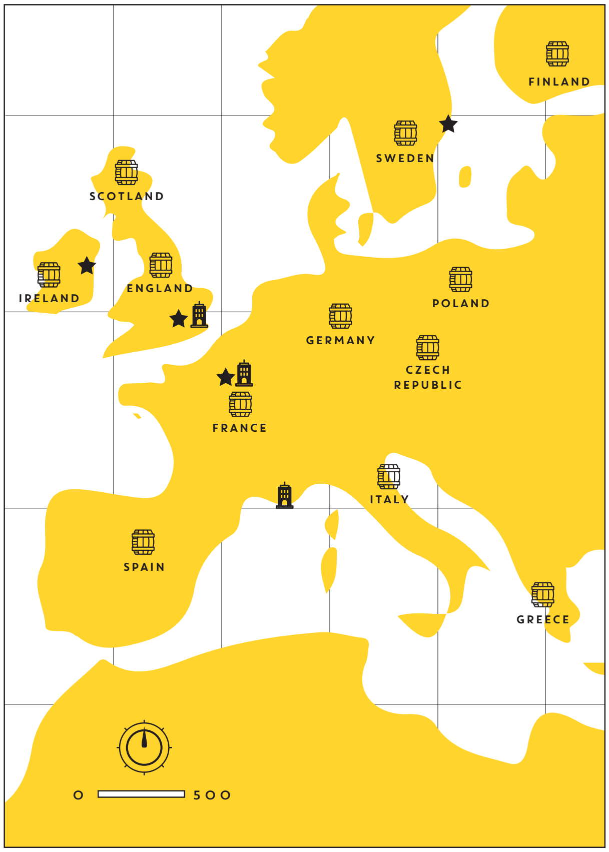
(1) Europe, Middle East, Africa and Latin America.


CANADA
UNITED STATES
MEXICO
CUBA
BRAZIL
ARGENTINA
ARMENIA
CHINA
INDIA
AUSTRALIA
NEW ZEALAND
PRODUCTION SITES
BRAND COMPANIES HEAD OFFICES
MARKET COMPANIES HEAD OFFICES
0
1,000


FINLAND
SWEDEN
SCOTLAND
IRELAND
ENGLAND
POLAND
GERMANY
CZECH REPUBLIC
FRANCE
ITALY
SPAIN
GREECE
0
500

19,140

employees across the world.
37% of total workforce is female;
62% is based in Europe, Africa & Latin America of which 15% in France,
11% in North America and 27% in Asia and the Pacific

73

countries with our own salesforce

89

production sites in 23 countries(1)

4

must-win markets: US, China, India & Travel Retail

more than 160

countries where our brands are distributed

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(1) Operating sites as at June 30, 2019.

The Pernod Ricard Mindset: transforming for acceleration

The exceptional commitment of our 19,140 employees, as shown by the latest results of the independent survey I Say [1]*, is the key to our success. It is based on the Pernod Ricard Mindset, which can be found in our performance values and our teams' ability to embrace change in an increasingly volatile environment.*

The 'Pernod Ricard Mindset' is a formidable tool for performance: it is the most visible expression of our culture. It stems from the founding principle of our organisation: decentralisation. By respecting the operational autonomy of our subsidiaries, to be as close as possible to consumers, we empower our employees to get involved and take the initiative to find new ways to engage with our markets. Through decentralisation, the Pernod Ricard Mindset combines the power of a large group and the agility of a 'start-up mentality.' It is the result of the perfect alchemy of our 3 cardinal values: an entrepreneurial spirit, mutual trust and a strong sense of ethics.

A decentralised business model cannot succeed without ingraining an entrepreneurial spirit throughout the organisation. Similarly, initiatives can be effective only if mutual trust exists between subsidiaries and their employees. This creates the right conditions for ongoing, spontaneous and direct dialogue, one in which our employees are given free rein to develop initiatives based on their experiences and insights. This approach relies on transparency, openness to others and respect for differences. This is what we mean by 'a strong sense of ethics.'

The foundation of our cultural model, these three values are closely linked to a particular attitude: *convivialité*. The hallmark of the Group, this *convivialité* is what makes Pernod Ricard so unique. We continuously foster sharing and collaboration. We strive to eliminate silos and to share expertise, foster discussions and streamline procedures.

SHAPED BY AN AMBITIOUS HUMAN RESOURCES POLICY

The implementation of the 'Transform & Accelerate' strategic plan presents a real challenge. To support the roll-out of this plan, Pernod Ricard has established an ambitious human resources policy that involves all employees. Talent development is one of the four essentials of our business model. For several months now, this policy has focused on transforming organisations, renewing processes and establishing new working methods, always with the goal of instilling the Pernod Ricard Mindset.

As part of the 'TransfoHRm' project, many initiatives have been launched in this area. This comprehensive project first looked at defining a model of leadership that every manager should strive to attain. Managers from the Group representing its various subsidiaries worked together to establish management principles founded on boldness, a conquering spirit, the ability to adapt and the desire to make the most of diversity. One of our goals is also to show that *convivialité* is a performance accelerator. Being convivial means collaborating, sharing more freely and having direct and sincere relationships, which leads to greater agility, speed and simplicity.

In line with the central role that talent development and digital technology play in its business model, the Group has also rolled out Workday, an innovative, comprehensive human resources management solution. This tool enables all employees, irrespective of role or location, to access and manage all of their personal HR data with a single click. Workday was introduced in record time across almost 80 subsidiaries, making it the largest-scale rollout of the platform at that time.

Finally, this year saw the launch of our first employee shareholding plan, 'Accelerate'. Covering 75% of the Group's workforce in 18 markets, this plan was a major success, with an overall subscription rate of 42%. The subscription rate was particularly high in certain markets, such as India – with over 75% participation – and China – with almost 50%.

Cédric Ramat, EVP Human Resources, Sustainability & Responsibility, said, "The huge response from our employees is a testament to their confidence in our ability to generate value over the long term."

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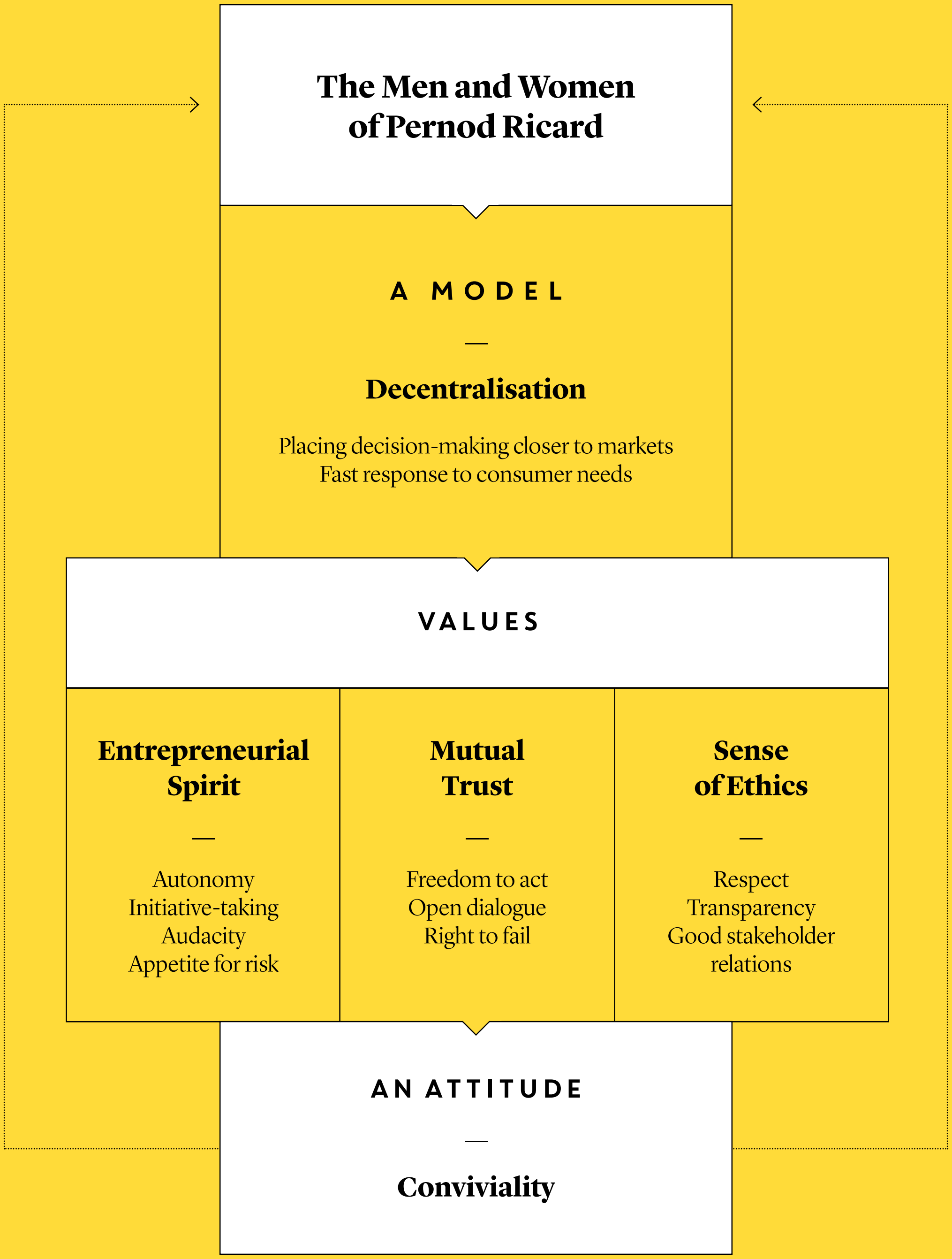
(1) *I Say* survey, July 2019, Willis Towers Watson, see p. 29 for results.

OUR MODEL FOR SUCCESS



The Men and Women of Pernod Ricard

A MODEL

—

Decentralisation

Placing decision-making closer to markets
Fast response to consumer needs

VALUES

Entrepreneurial Spirit	Mutual Trust	Sense of Ethics
—	—	—
Autonomy Initiative-taking Audacity Appetite for risk	Freedom to act Open dialogue Right to fail	Respect Transparency Good stakeholder relations

AN ATTITUDE

—

Conviviality

Our dynamic portfolio management to meet consumer needs & expectations

Pernod Ricard has a unique portfolio of global and local premium brands encompassing every major category of wine and spirits. As one of the most comprehensive portfolios in the market, it provides the Group with a singular competitive advantage for accelerating growth by allowing us to constantly invest in the most promising categories and brands. To ensure an optimal allocation of resources for our key brands, our proprietary brand planning tool – the House of Brands – is used across all our markets.

5 KEY CATEGORIES

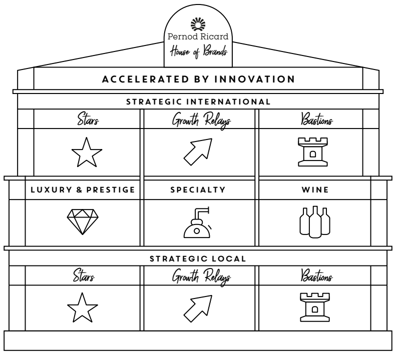
Conscious of the ever-changing market trends and needs of our consumers, the House of Brands evolved over the 2019 fiscal year to include a new category of 'Specialty' brands. By implementing this common framework throughout our business, it enables our Market Companies to prioritise their marketing investments in line with the Group's five strategic brand categories: **Strategic International, Luxury & Prestige, Specialty, Wines and Strategic Local.**

The Group's five brand categories encompass a wide variety of global premium brands with strong long roots. Our **Strategic International** brands are sold in almost every market around the world; **Luxury & Prestige** brands target iconic bars and the most affluent consumers; **Wines** allow us to access other universal convivial moments of consumption such as meals; and **Strategic Local** brands aim to reach local consumers and specific local occasions. Our newest category, **Specialty** brands, meets a growing demand for smaller-scale, authentic 'craft' products. The sense of purpose and transparency of these brands offers a unique and comprehensive value proposition that responds to new consumer trends and expectations. By creating strong consumer connections, this category – that has an attractive profitability – presents significant growth potential for our business.

3 INVESTMENT PRIORITIES

Using the House of Brands ensures that we optimise resources at global and local levels. This dynamic brand management tool allows us to tailor our portfolio of premium brands and investment priorities according to consumption habits, local contexts and the growth potential across all our markets. After identifying the potential of each brand in each segment, our local Market Companies – who distribute our brands directly in their markets – define their respective strategies based on three types of investment priorities: **Stars, Growth Relays and Bastions.**

We invest significantly in our **Stars** – leading brands sold internationally or locally – to enable them to continue leading the way in different categories and actively contribute to the Group's growth. Our **Growth Relays** also benefit from increased resources as they serve to capture different moments of conviviality in highly attractive categories and, at the same time, offer a promising growth outlook in the medium and long term. Meanwhile, investment in our **Bastions** – brands that are mature or in very competitive sales categories – ensures that we protect their market share, sales and profits.



Drawing on in-depth consumer insight and local knowledge of our markets, the House of Brands affords us the agility to make investment choices that strike the right balance between short-, medium- and long-term goals, while continuing to build brands that win throughout our must-win geographies.

HOUSE OF BRANDS

ACCELERATED BY INNOVATION

STRATEGIC INTERNATIONAL BRANDS

LECERCLE
BY PERNOD RICARD

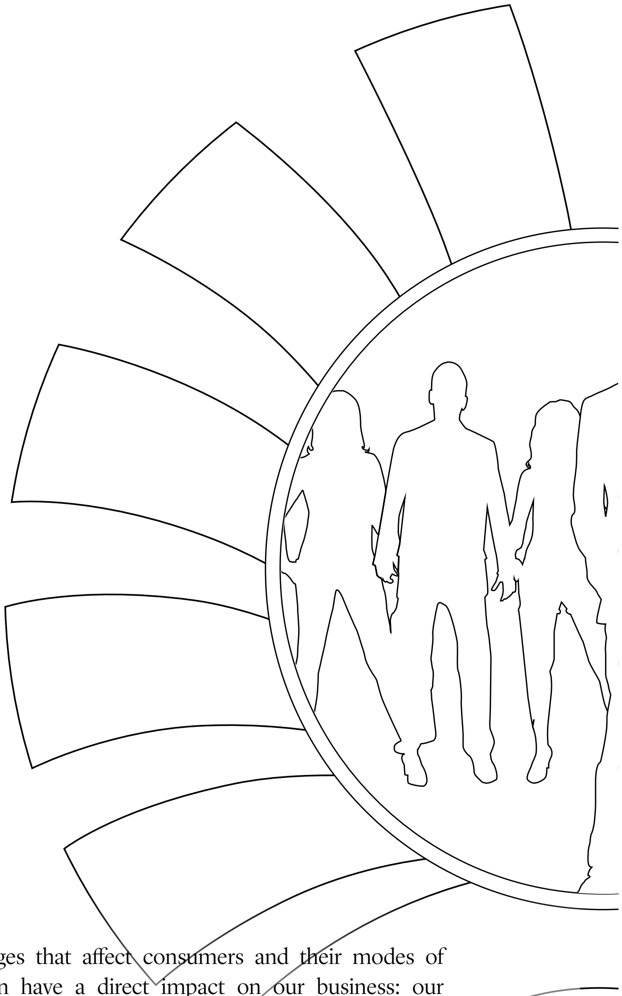
LUXURY & PRESTIGE

SPECIALTY

WINES

STRATEGIC LOCAL BRANDS

Our Strategy: ‘Transform & Accelerate’



4 ESSENTIALS

Operational excellence
Reduce complexity & foster efficiency

Talent development
Recruit, retain & develop diverse teams

Sustainability & Responsibility (S&R)
Lead the industry in Sustainability & Responsibility

Route-to-market / consumer
Capitalise on our many different distribution channels in order to reach all of our customers and consumers

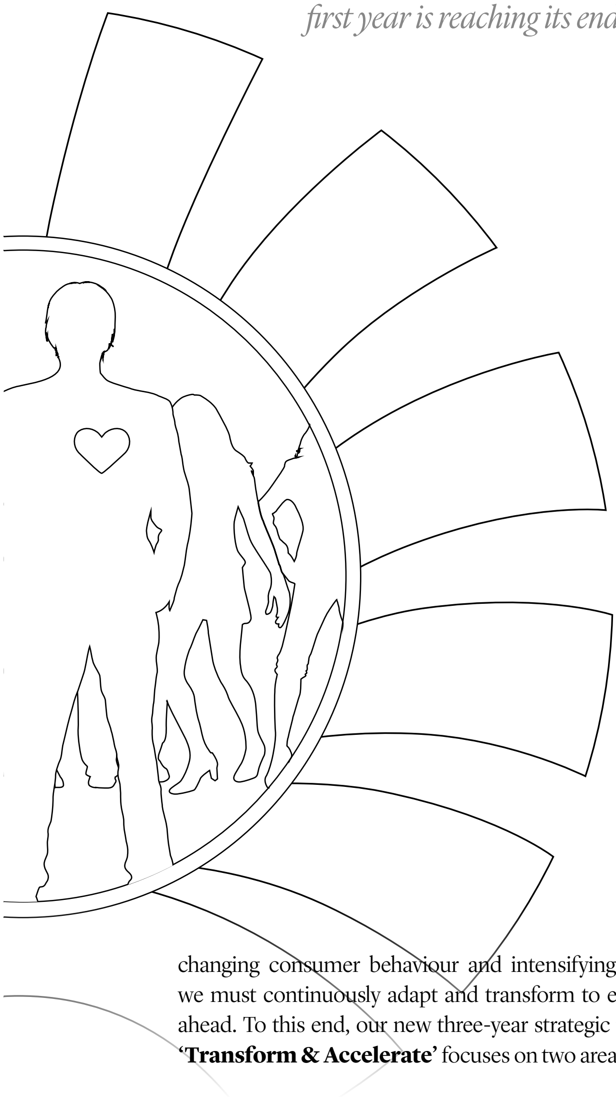
OUR PRIORITY: OUR CONSUMERS

Consumers remain our obsession. Understanding their evolving wants and needs and the trends impacting these is critical. Today’s consumer landscape is radically changing, shaped by a number of forces. A new ‘connected’ consumer is emerging, who is thirsty for a sense of purpose and new experiences. There is widespread concern about globalisation, leading to a rise in protectionism and a focus on all things local. In newer markets, rapid economic development is dramatically expanding the base of middle-class and affluent consumers, changing consumption patterns. All over the world, technology is transforming consumer behaviour, which is disrupting traditional relationships between businesses and customers and requires inventing new types of engagement.

These changes that affect consumers and their modes of consumption have a direct impact on our business: our proximity to consumers is essential to ensure our decisions reflect their motivations. Equally, the rapid pace of change requires speed and agility in our decision-making. These are significant challenges. In recent years, our roadmap based on our ‘Mindset for Growth’ has succeeded in accelerating, diversifying and geographically extending the Group’s sales, as well as preparing us for the future. The pillars of our strategic model – the **four Essentials** based on our historic strengths and **four Accelerators** aimed at leveraging these to meet consumer needs – continue to define our priorities (see our model above).

Looking forward, we need to continue to take this transformation further to accelerate our growth. In an increasingly volatile context and constantly shifting environment of

At Pernod Ricard, conviviality is more than our profession, it's our driving purpose. Bringing people together to share authentic, meaningful moments of conviviality was a guiding principle for our founders and this vision continues today to inspire the Group's 19,140 employees. As 'Créateurs de convivialité,' Pernod Ricard seeks to ensure that each of our Brands are at the heart of every social occasion; and in doing so, we will achieve our ambition of becoming the world leader in the wine & spirits industry. Our three-year strategic plan ***Transform & Accelerate****, whose first year is reaching its end, defines our priorities for achieving this ambition.*



4 ACCELERATORS

Portfolio management
Position one of our brands at each and every shared moment of celebration, rooted in local realities

Premiumisation & luxury
Premiumise the portfolio & strengthen our position as the leader in luxury spirits

Innovation
Create brand experiences through new products and services

Digital acceleration
Accelerate the integration of digital into everything we do

changing consumer behaviour and intensifying competition, we must continuously adapt and transform to ensure we stay ahead. To this end, our new three-year strategic plan (2019–21) **'Transform & Accelerate'** focuses on two areas:

— How we can get **'More from the Core'**, building on our strengths to **Accelerate** growth,
— How we can best **'Prepare the Future'**, innovating to **Transform** our company.

Not just a slogan, **'Transform & Accelerate'** is a strategy consisting of 21 concrete actions specific to the four key challenges we must meet to outperform the industry. Our mission of **21 for 2021** will make us better, agile, together, allowing us to go the extra mile on the company's transformational journey.

Four challenges

This strategy will allow us to win in the four battlegrounds we have identified to accelerate our growth:

1 / Winning in key markets
2 / Building passion brands
3 / Funding the journey
4 / Valuing our people

We bring Good Times from a Good Place

2019 saw the launch of Pernod Ricard's new 2030 Sustainability & Responsibility (S&R) roadmap. This new strategy is the perfect illustration of our ongoing commitment to creating long-term value for all of our stakeholders.

VANESSA WRIGHT

Group VP Sustainability & Responsibility

What were the challenges in developing this roadmap?

Sustainability is a vast and complex topic that impacts all aspects of our business. To develop our roadmap, we collaborated with over 300 colleagues globally and external experts to identify the key issues facing our business today. Their input combined with our consumers' concerns allowed us to establish a clear strategy that builds on the work we have already done while at the same time being fully aligned with the United Nations 2030 Sustainable Development Goals.

How does this new roadmap go further than previous targets and efforts?

Sustainability and Responsibility (S&R) is an integral part of our past, present and future. What differentiates our new roadmap from our previous approach is that it fully integrates S&R across the entire business from 'grain to glass.' To enable us to continue accelerating the pace of the progress already made – such as a 20% reduction in water consumption or a 30% reduction in carbon emissions (1), we have set ambitious targets for each of the 4 pillars of the new roadmap: Nurturing Terroir, Valuing People, Circular Making, Responsible Hosting. It also represents an opportunity to drive innovation, strengthen our business by differentiating our brands, attracting talent and creating shared value.

How will you measure progress?

We have adopted eight key commitments, with a total of 30 actions, that we will monitor and evaluate through identified KPIs. Responsibility and accountability for each pillar is integrated into the overarching goals of our business and driven by global multidisciplinary teams. This governance structure – that is both a human and financial investment representing more than several hundred million euros over 10 years – ensures that we are transparent about measuring and reporting back on our progress, as well as sharing best practices.

What will be key to success?

Uniting people in one clear direction. By calling this 'Good times from a Good Place' we are directly connecting the S&R roadmap with our company vision in order to achieve the ultimate goal of creating a more convivial world without excess. It's an inspiring rallying cry for everyone across our value chain – from employees to farmers and suppliers to the local communities where we work. It will be crucial for us to work with others to test and learn and find collective solutions.

What role will the Pernod Ricard teams play in the implementation of the 2030 roadmap?

Their role is crucial for embedding the strategy by designing and implementing projects through close collaborative relationships internally and externally. In short, they will contribute to bringing our vision to life! Our Group is a dynamic community of 19,140 committed people. We're passionate hosts seeking a better way to live and work together, as well as respectful guests who want to protect and nurture our environments. S&R intrinsically reflects the 3 Pernod Ricard values: an entrepreneurial approach, mutual trust and strong sense of ethics.

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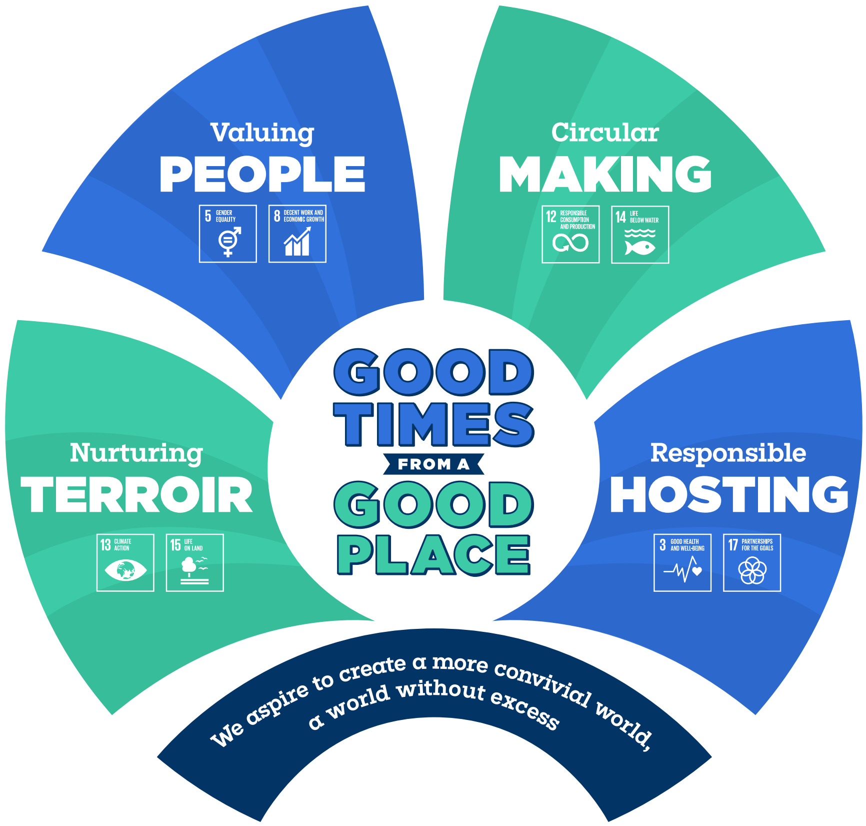
(1) Source: per unit of production between FY10 and FY19.


Valuing
PEOPLE
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
Circular
MAKING
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
14 LIFE BELOW WATER
Nurturing
TERROIR
13 CLIMATE ACTION
15 LIFE ON LAND
Responsible
HOSTING
3 GOOD HEALTH AND WELL-BEING
17 PARTNERSHIPS FOR THE GOALS
GOOD TIMES FROM A GOOD PLACE
We aspire to create a more convivial world,
a world without excess

NURTURING TERROIR

As each and every Pernod Ricard product takes its character from the land where it was grown, we have made it a priority to combat 'Climate Change' (SDG(1) 13) and protect 'Life on Land' (SDG 15). To ensure maintaining healthy and resilient ecosystems that allow us to continue producing quality products for the generations to come, we are committed to nurturing every terroir and its biodiversity. To address our agricultural footprint across the 250,000 hectares from where we source our ingredients, we are developing sustainable and regenerative agricultural practices to be implemented across our business.

OUR COMMITMENTS

Deploy a regenerative agriculture pilot programme across our 8 wine regions(2) (2025)

Partner with over 5,000 farmers to share our know-how in regenerative agriculture (2030)

100% affiliates will have deployed a project related to the preservation of biodiversity (2030)

VALUING PEOPLE

Our raison d'être, *convivialité,* is about sharing, warmth, care and respect for people everywhere. We strive to provide 'Decent Work & Economic Growth' (SDG 8) and to champion 'Gender Equality' (SDG 5) throughout our business. To create shared value for all our stakeholders, we have reinforced our commitments to human rights, diversity and inclusion among our leadership, health and safety, responsible procurement, training and sustainable bartending.

OUR COMMITMENTS

Equal pay (2022) and gender-balanced top management (2030)

Provide training sessions for our employees at least every 3 years so that they can acquire new skills in anticipation of future needs (2030)

Train 10,000 bartenders on techniques of the bar world of tomorrow taking a zero waste & anti-plastic approach (2030)

CIRCULAR MAKING

The world is made of finite resources that are under huge pressure. By contributing to 'Responsible Consumption & Production' (SDG 12) and protecting 'Life Below Water' (SDG 14) our goal is to help preserve natural resources. In moving towards a more circular business model – from the packaging we use to the promotional items we produce to the way we distribute our products and how they are ultimately recycled – we are actively striving to minimise our carbon footprint and protect our natural resources.

OUR COMMITMENTS

100% water balanced in high-risk countries (2030)

50% reduction in carbon intensity in line with Science-Based Targets (2030)

100% ban on single-use plastic POS (2025)

100% recyclable, reusable, compostable or bio-based packaging (2025)

5 pilot projects based on the circular economy model for the distribution of our products (2030)

RESPONSIBLE HOSTING

We believe that we have an important part to play in combating alcohol misuse and supporting the 'Health and Wellbeing' (SDG 3) of our consumers. We are committed to ensuring that they are informed about our products and how to enjoy them responsibly. To that end, we will continue building 'Partnerships for [our] Goals' (SDG 17) at a local and global level.

OUR COMMITMENTS

Expand Responsible Party to reach at least 1 million young adults (2030)

100% affiliates will have at least one programme fighting alcohol misuse (2030)

(1) SDG: Sustainable Development Goals promoted by the United Nations.
(2) Argentina, Australia, California (USA), Champagne (France), China, Cognac (France), New Zealand, Spain.

Our community of inspirational Sustainability & Responsibility leaders

AMAURY THOMAS

Managing Director of Distillerie & Vignobles Thomas

Nurturing terroir

Preserving our legacy
In Cognac, the commitment to sustainable viticulture is a collective challenge for all winegrowers. Finding alternatives to pesticides is essential. Not just for sustainable growth and to preserve our unique savoir-faire, but to safeguard the land that has been transmitted to us by previous generations, and which we will pass on to our children.

Transforming viticulture
Having supplied Martell for three generations, my family has a strong link with Pernod Ricard. Our relationship extends beyond a simple business transaction: it provides an opportunity for us to transform our agricultural model and make it more resilient. We have been working closely with Pernod Ricard to develop new mechanical techniques as a substitute to chemical treatment. As a result, Cognac is the first region in France to use equipment that limits the spray mist of pesticides. Martell has also committed to no longer using the herbicide glyphosate throughout its vineyards.

Our collaboration with Martell has allowed us to engage in other innovative projects, such as selecting new grapes with high resistance to disease. We're also working on initiatives to explore the role of soil and biodiversity in the control of plant disease and are increasing biodiversity in our own vineyards by, for example, planting grass.

KELSEY RAMAGE

Co-founder of Trash Tiki

Valuing people

Recycling everything you can
I've been bartending for 15 years. I met my partner, Iain Griffiths, at Dandelyan, a London bar that was re-using many ingredients at the time. To step up the efforts for promoting anti-waste practices, we created Trash Tiki to educate more people on the importance of reducing waste and to inject some fun into the world of sustainability. We started pop-ups on how to make anti-waste cocktails, held parties, played loud punk music and created a free and open platform online where people could mutually share their recipes. Making sustainability about people and fun gets everyone on board more easily.

Engaging our global community
We began partnering with Pernod Ricard in 2017 when I won the Tahona Society bartending competition by Altos tequila. It gives 50,000 USD to projects that get consumers talking about social engagement or environmental issues. Since then, we collaborated with Absolut Vodka to create the Green Hustle, a global platform for sharing tips and tricks on how to help save the world – from using tasting spoons instead of straws to composting waste and making a case for the use of alternative ingredients. While the website is accessible to all, we are rolling out a global bartender education series to showcase different recipes and ways to end single-use ingredients. For example, after squeezing limes, you can also reuse the husks to make a stock that can become another ingredient – a small step that contributes to reducing consumption and to cutting the cost of purchasing limes in half. We're excited to take our work with Pernod Ricard to the next level with our global sustainability partnership.

While sustainability challenges can seem vast, we are convinced at Pernod Ricard that we can effect real change through collective action. Collaborating with all our partners and stakeholders, pooling ideas and resources, will allow us to focus in on areas where we can make the greatest impact. And as result, it will allow us to move faster, more sustainably and more responsibly, to create a more convivial world, without excess. Four of our partners share their stories.

PATRICIA RICARD

Chairwoman of the Paul Ricard Oceanographic Institute

Circular making

The ocean: cycle of life
People around the world are becoming aware of how our lives and the planet are intimately linked in terms of climate and the environment. Much of the planet is covered by ocean, which is vital to the cycle of life: it produces 50% of the oxygen we breathe, stores 30% of the earth's carbon and regulates climate by absorbing and transporting heat from the sun.

Waste is a resource
At the Paul Ricard Oceanographic Institute, we've been exploring the link between humans and the ocean over the past 52 years. Our scientists have a lot of freedom to work on solutions, inspired by nature, to address the impact of human activity on coastal areas. One area of their research is how to reuse waste. The ocean can teach us much about virtual cycles: waste in nature is a precious resource, which is continually reused for new purposes. Adopting this mindset yields creative solutions, for example, with waste you can start a fish farm – which not only helps to reduce over-fishing, but by bringing fish closer to land thereby reduces the distribution-related carbon impact generated by necessary freezing and transportation to points of sale. This research by our scientists into circular models in nature complements Pernod Ricard's ambition to reduce waste by making its packaging 100% reusable, recyclable, compostable or bio-based.

JOAO PINTO

President of the Erasmus Student Network

Responsible hosting

Responsible Parties
Binge drinking is a big challenge to tackle amongst young adults. As one of Pernod Ricard's 13,000 Responsible Party student ambassadors, we work with hundreds of thousands of students across 1,000 universities in Europe to increase health literacy so students are fully aware of the risks of harmful alcohol consumption. When the programme was launched with the Erasmus Student Network in 2010 there was much scepticism about our approach – instead of saying 'don't drink', rather promoting responsible drinking. But 10 years on, we're proud of the results. A recent study of 32,000 students showed that 88% found the Responsible Party programme useful and 61% said it helped them rethink their approach to drinking.

Empowering people
In fact, when I joined the network five years ago even I was sceptical, but today I'm one of its biggest advocates. What I like about the programme is that it's peer-to-peer, and it empowers young adults to take responsibility for their actions. We train our volunteers to raise awareness and work with policy makers at a local and national level, and have succeeded in putting this topic on the public agenda. Thanks to the dedication of our many volunteers, we've already impacted over 400,000 students in 32 countries. It shows that Pernod Ricard cares about its individual consumers, especially young adults.

Our Board of Directors

The Pernod Ricard Board of Directors oversees the Group's governance in an ethical and transparent manner while ensuring that the business is managed in the best interests of the Group and its stakeholders. The Board members, who bring together complementary skills and experience, ensure that the Group pursues its business strategy with the primary goal of increasing the value of the Group.

ORGANISATION

In accordance with the AFEP-MEDEF Code of Corporate Governance for listed companies, Pernod Ricard respects the independence criteria established in the Code. It is comprised of 15 members, seven of whom are independent and two of whom represent Group employees. Following the recommendation of the Nominations, Governance and CSR Committee, as of 23 January 2019, the Board appointed a Lead Independent Director.

The Internal Regulations stipulate that the Board members must meet at least six times per year for meetings that are presided by the Chairman of the Board, who is also Pernod Ricard's Chief Executive Officer. The Chairman reports on the Board's progress at the Annual Shareholders' Meeting. The Chairman is tasked with ensuring that the Group's bodies run smoothly, which includes providing the Directors with the resources they need to fulfil their duties. The role of the Lead Independent Director is notably to convene and chair the meetings of the Board of Directors in the absence of the Chairman and CEO, conduct the annual assessment of the functioning of the Board of Directors on the basis of individual interviews with each Director, prevent the occurrence of conflict of interest situations, ensure compliance with the rules of the AFEP-MEDEF Code and the Board's Internal Rules and Regulations, convene and chair the Executive Session, review Shareholders' requests for corporate governance and ensure that they are answered and meet with the Company's investors and shareholders.

In order to further root its work in the Group's daily business operations, the Board has access to the in-house social network and holds one meeting per year in an operating affiliate.

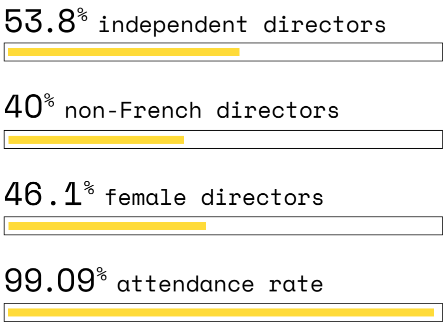
FY19 ACTIVITY

Over the course of FY19, the Board of Directors met 8 times, with an attendance rate of 99.09%. The average length of the meetings was approximately 3 hours. Their main activities were to:

- approve the half-year and annual financial statements;
- review the budget;
- oversee the preparations of the Annual Shareholders' Meeting;
- review and approve the work of the four specialised committees;
- review presentations of the activities of the functional departments and affiliates;
- review its own functioning and that of its committees.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors is assisted in its work by four specialised committees which provide advice and recommendations for the board's discussions. The Strategic Committee – created and presided over by Alexandre Ricard since 2015 – reviews key subjects for Pernod Ricard SA and the Group, issues recommendations on acquisitions, divestitures and partnership projects and studies all strategic matters of interest to the Company or its Group. The Audit Committee notably reviews the half-year and annual draft financial statements, monitors the Group's cash flow and debt situation and assesses the Group's risk management and internal control systems. The Nominations, Governance & CSR Committee notably selects new Directors and reviews the composition and operation of the Board, CSR issues and the Group's performance and talent-management policy. Lastly, the Compensation Committee notably defines the remuneration policy for the Group's Executive Directors, proposes a general long-term remuneration policy and implements an annual plan for the allocation of options and performance shares.



Alexandre Ricard
Chairman & Chief Executive Officer
Strategic Committee Chairman

Pierre Pringuet*
Vice-Chairman of the Board of Directors until 23 January 2019,
Strategic Committee Member,
Compensation Committee Member

Patricia Barbizet
Lead Independent Director
Nominations, Governance & CSR Committee Chairwoman

Nicole Bouton
Independent Director
Compensation Committee Chairwoman
Nominations, Governance & CSR Committee Member

Maria Jesus Carrasco Lopez
Employee Director

Wolfgang Colberg
Independent Director
Audit Committee Chairman
Strategic Committee Member
Nominations, Governance & CSR Committee Member

Stéphane Emery
Employee Director
Compensation Committee Member

Ian Gallienne
Independent Director
Strategic Committee Member
Compensation Committee Member

César Giron
Director
Strategic Committee Member
Nominations, Governance & CSR Committee Member

Martina Gonzalez-Gallarza*
Director

Anne Lange
Independent Director
Strategic Committee Member

Paul-Charles Ricard
Director
Permanent Representative of Société Paul Ricard

Gilles Samyn
Independent Director
Audit Committee Member

Kory Sorenson
Independent Director
Audit Committee Member
Compensation Committee Member

Veronica Vargas
Director

* Following the decision of Ms Martina Gonzalez-Gallarza and Mr Pierre Pringuet to resign from the Board of Directors as from the Shareholders' Meeting of 8 November 2019, the Board of Directors, on the recommendation of the Nominations, Governance and CSR Committee, has decided to propose the appointment of Ms Esther Berrozpe Galindo and Mr Philippe Petitcolin as Directors. Their term of office would be conferred for a term of four years expiring at the end of the Shareholders' Meeting to be held in 2023 to approve the financial statements for the previous financial year.

The Nominations, Governance and CSR Committee and the Board of Directors examined the applications and notably appreciated that Ms Esther Berrozpe Galindo and Philippe Petitcolin could respectively provide the Board of Directors with her marketing expertise and their experience as general manager of an international group and a listed group. Following a review, they also confirmed that Ms Esther Berrozpe Galindo and Mr Philippe Petitcolin fulfilled the AFEP-MEDEF independence criteria adopted by the Company.

Our Executive Board & Executive Committee

The Group's general management is led by the Chairman & CEO, who is assisted by the Executive Committee. Under its authority, the Executive Committee implements the Group's main policies.

The Executive Board is the permanent body responsible for coordinating and leading the Group, in cooperation with the Chairman & CEO, whom it assists with his responsibilities. The Executive Board reviews all decisions related to Group affairs and submits various matters to the Board of Directors when approval is required. It also organises the work of the Executive Committee and defines objectives for its members, in particular by signing off the three-year plan, budget and regular business reviews.

The Executive Committee, the Group's managing body, has 15 members – the five members of the Executive Board (see below) as well as the Managing Directors of the Group affiliates. They meet once per month (11 times annually), either at Headquarters or at an affiliate site. Under the direction of the Chairman & CEO, the Committee helps to define the Group's strategy and plays an essential coordinating role between Headquarters and the affiliates, and among the affiliates themselves (Brand Companies and Market Companies). The Committee is responsible for overseeing the Group's business activities and ensuring that its main policies are applied. More specifically, the Committee analyses the performance of the Group's business in relation to its market plan (budget and three-year plan); actively participates in setting financial and operational objectives (financial results, debt and qualitative objectives); periodically reviews the brand and market strategies; analyses performance and evaluates changes in the organisation as needed; and approves and ensures compliance with the Group's main policies.

EXECUTIVE BOARD MEMBERS

(as of 30 June 2019)

Alexandre Ricard

Chairman & Chief Executive Officer, Executive Director

Hélène de Tissot

EVP, Finance, IT & Operations

Christian Porta

Managing Director, Global Business Development

Amanda Hamilton-Stanley

General Counsel & Compliance Officer

Cédric Ramat

EVP, Human Resources, Sustainability & Responsibility

EXECUTIVE COMMITTEE MEMBERS
(as of 30 June 2019)

Alexandre Ricard
Chairman & Chief Executive Officer, Executive Director

Hélène de Tissot
EVP, Finance, IT & Operations

Christian Porta
Managing Director, Global Business Development

Amanda Hamilton-Stanley
General Counsel & Compliance Officer

Cédric Ramat
EVP, Human Resources, Sustainability & Responsibility

Gilles Bogaert
Chairman & CEO of Pernod Ricard Europe, Middle East, Africa and Latin America

Paul Duffy
Chairman & CEO of Pernod Ricard North America

Philippe Guettat
Chairman & CEO of Pernod Ricard Asia

Mohit Lal
Chairman & CEO of Pernod Ricard Global Travel Retail

Jean-Christophe Coutures
Chairman & CEO of Chivas Brothers

César Giron
Chairman & CEO of Martell Mumm Perrier-Jouët

Anna Malmhake
Chairwoman & CEO of The Absolut Company

Conor McQuaid
Chairman & CEO of Irish Distillers Group

Bruno Rain
Chairman & CEO of Pernod Ricard Winemakers

Philippe Coutin
Chairman & CEO of Ricard SA and Pernod SA

Our value creation model

Our resources

HUMAN CAPITAL

Our employees around the world are at the heart of everything we do. Their mindset and the diversity of their expertise and profiles gives the Group greater agility and adaptability in an increasingly volatile context.

- **19,140 employees** across close to **80 affiliates** in **73 countries** with Pernod Ricard offices
- **86%** outside of France
- **37%** women [a]
- **1.70%** of Group payroll invested in training [d]

INTELLECTUAL CAPITAL

Innovation is part of our DNA. Our Brand Companies and Market Companies continuously work to ensure that we respond to our customers' and consumers' desires and expectations.

- **39 strategic brands** in our global portfolio, the House of Brands
- **16 brands** in the Impact Top 100
- **4 Marketing Centres of Excellence** to sharpen consumer insight (Cultural Foresights, Equity & Consumer Understanding, Shoppers & Travellers, Mix Optimisation)
- **Implementation of global digital tools** that allow us to adapt our marketing strategies in real-time

FINANCIAL CAPITAL

Our investors and shareholders provide the financial resources and stability needed for the Group to undertake its activities.

- **Share Capital allocation:** Paul Ricard SA & Others **(16.3%)**, Board/Management/ Employees/Treasury/ Shares **(1.7%)**, Institutional Investors **(78.1%),** Individual Shareholders **(3.9%)** [a]
- Net debt / EBITDA: **2.3x** [a]
- Market capitalisation: **EUR 43 billion** [a]

INDUSTRIAL CAPITAL

We continuously strive to improve our manufacturing and distribution processes in terms of safety, quality and efficiency, capitalising on the many innovations brought about by Industry 4.0.

- **89 production sites** in **23 countries** [a]
- Natural resources from **+280,000 hectares** of land including **5,625 hectares** of vineyards operated by the Group
- **EUR 4.8 billion** [a] in maturing inventory
- **EUR 363 million** of CAPEX
- **Distribution network** in **+160 countries**

SOCIAL CAPITAL

Due to the diversity of our brands, Pernod Ricard is deeply rooted in local communities. We are committed to building long-standing and ethical relationships with all our partners – farmers, suppliers, academics & bartenders.

- **Code for Commercial Communications** ensures that its commercial communications do not encourage or condone irresponsible consumption or misuse of any kind.
- **Targeted action** on the ground to **tackle alcohol-related harm.** Often working with industry peers and external partners.

ENVIRONMENTAL CAPITAL

We are committed to nurturing every terroir and its biodiversity, responding to the challenges of climate change to ensure quality ingredients now and for generations to come.

- **Energy consumption** per unit produced: **6.11 kWh** per litre of distilled pure alcohol [d]
- **6.9 millions m^3** of **water consumption** [f]
- The **primary materials** used for packaging are **glass (969,052 tonnes)** and **cardboard (84,719 tonnes).** [d]

Our consumer-centric strategy (see pp. 16-17)

5 CRITICAL AREAS THAT ARE IMPACTING CONSUMERS

- A quest for meaning and new experiences
- A new world order, more protectionism
- The emergence of new middle classes
- Digitisation of usages and work
- The need for agility and responsiveness

4 ESSENTIALS
4 ACCELERATORS

4 ESSENTIALS

- Operational excellence
- Talent development
- Sustainability & Responsibility (S&R)
- Route-to-market/ consumer

4 ACCELERATORS

- Portfolio management
- Premiumisation & luxury
- Innovation
- Digital acceleration

(a) As at June 30, 2019.
(b) According to the 2019 *I Say* survey.
(c) Per unit of production between fiscal years FY10 and FY19.
(d) In FY19.
(e) TOP 100 Impact 2017.
(f) 25.2 million m^3 of water was taken from the Group's industrial sites. Only 6.9 m^3 constitute water consumption, the rest being exclusively used by cooling installations and restored without any impact on the environment.
(g) Internal definition of top management: Job band C and above.
(h) Since 2010.
(i) Reduction in Free Cash Flow due to positive one-off items in FY18.

At Pernod Ricard, we believe that real value can only be created over time if it is beneficial for all of our stakeholders – starting with our consumers who are at the heart of our strategy. Our goal is to continue accelerating our Group's transformation; we aspire to not only being 'créateurs de convivialité,' but creators of economic, social and environmental value.

Our impacts

Make our employees grow

- **94% of employees are proud to work for the Group** [b]
- Record subscription **rate for first-ever Group Employee shareholding plan: 41.5%** [d]

Create new products and services

- Luxury LeCercle Portfolio: +**14%** in FY19
- **Innovation** represents **approximately 1/4 of our topline growth**
- **+1000 users** from **6 Brand Companies** and **39 Market Companies** monitor their brands and our competitors as well as campaigns and activations via **one single monitoring tool**

Create long-term value

- +**6.0%** organic growth in sales [a]
- **-5%** free cash flow, resulting in an **EUR 342 million** reduction in net debt [i]
- Dividend proposed of **EUR 3.12**, representing a **50%** payout ratio [a]

Producing high-quality products and enhancing our production capacity

- **95.5% of our sites are ISO 14001-certified** [a]
- **99%** of our **vineyards** are **certified** according to environmental standards
- **Provide employment in local economies,** especially in agriculture through the production and **purchase of raw and processed agricultural products (2.6 million tons per year)**

Promote responsible drinking and engage with our partners and communities

- Increased awareness of more **than 400,000 students across 32 countries** about the health effects of alcohol consumption through our Responsible Party Programme [h]
- Group's **economic contributions to communities** estimated of **EUR 6.5 billion** [d]

Minimise our impact on the environment by limiting waste, consumption and use of natural resources

- **- 34% of CO_2** emissions (scope 1 +2) [c]
- **- 22% of water consumption** [c]
- **- 69% of non-recycled waste** (landfilled or incinerated) per litre of finished product [c]

Our medium and long-term ambitions

(see pp. 18-19)

PEOPLE

Capitalise on our diverse teams
By 2030, our top management [g] team will be gender-balanced.

Share knowledge and learning
By 2030, 100% of employees will have received future-fit training at least every 3 years.

By 2030, we will train 10,000 bartenders on the bar world of tomorrow.

By 2030, we will partner with 5,000 farmers to share our acquired knowledge on regenerative agriculture.

Fight alcohol misuse
By 2030, all affiliates will have at least one programme in partnership implemented at scale and evaluated.

By 2030, Pernod Ricard will expand its 'Responsible Party' programme globally to reach at least 1 million young adults.

Develop strong and inclusive brands
By 2023, all strategic brands will work to break stereotypes through responsible marketing initiatives.

PROFIT

Embed dynamic growth
Our FY19-21 plan projects top line growth of +4 to +7%, underpinned by leveraging our unique premium portfolio and winning in our 4 key markets.

Deliver operating leverage
Our FY19-21 plan projects a strong financial performance, with an expansion of operating margins by approximately 50 to 60 BPS per year.

PLANET

Preserve biodiversity and regenerative agriculture
By 2030, all affiliates will have implemented a strategic biodiversity project addressing the most pressing local biodiversity issues.

By 2025, we will develop regenerative agriculture pilot schemes within our vineyards across 8 wine regions.

Deploy circular models
By 2025, we will ban all promotional items made from single-use plastic and 100% of our packaging will be recyclable, compostable, reusable or bio-based.

By 2030, we will pilot 5 new circular ways of distributing wine & spirits and help increase recycling rates in the top 10 largest markets with low recycling levels.

By 2030, we aim to be water balanced in all high-risk watersheds, replenishing 100% of water consumption from production sites.

By 2030, we commit to reducing the overall intensity of our carbon footprint by 50% aligned with Sciences-Based Targets (SBTs).

Our key financial figures

Leadership position

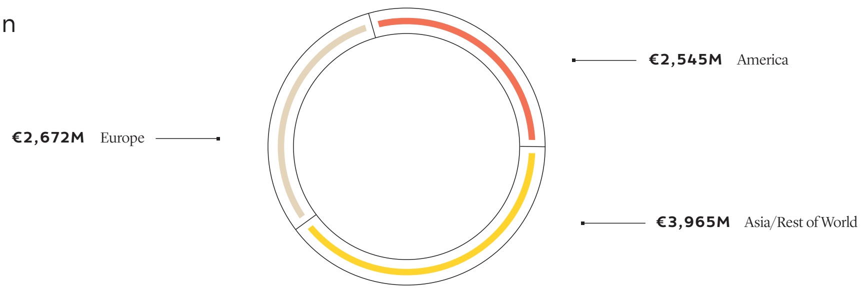
World
N°1
for premium, ultra-premium and prestige spirits(1)

World
N°2
in wine & spirits industry(1)

16
brands amongst the world's top 100(2)

Financial metrics FY19

sales by region



€9,182M
Net sales

€2,581M
profit from recurring operations

€1,654M
Net profit from recurring operations (Group share)

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(1) Source: *The Pernod Ricard Market View,* based on IWSR volume data ending 2018.

(2) Source: *Impact Databank 2018,* published in March 2019.

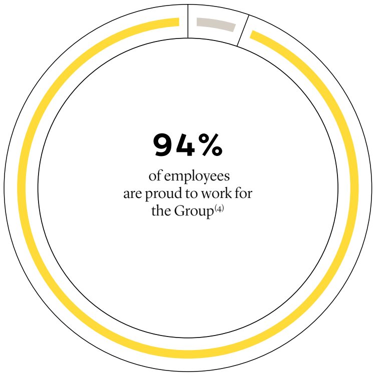
Our key non-financial figures

Protecting the planet

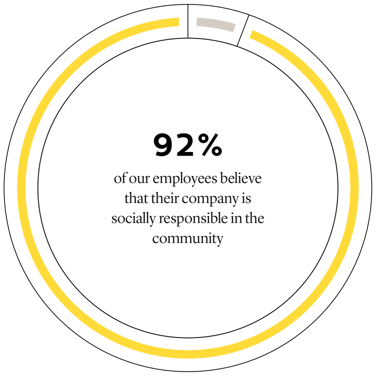
22%
reduction in water consumption(3)

34%
reduction in CO_2 emissions(3)

Employee engagement



94%
of employees are proud to work for the Group(4)



92%
of our employees believe that their company is socially responsible in the community

86%
declare that people within their department are encouraged to act responsibly and to conduct their activities in line with our Sustainability & Responsibility engagements.

83%
feel that the concept of conviviality is what makes Pernod Ricard unique.

86%
believe conviviality (approachable, straightforward, and friendly) is a reality at Pernod Ricard.

90%
believe strongly in the goals and objectives of Pernod Ricard.

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(3) Per unit of production between FY10 and FY19.

(4) Source: Results of the *I Say* survey, July 2019, Willis Towers Watson.

Section 2

M. IAN GALLIENNE
Independent Director
✪ ✱

MS PATRICIA BARBIZET
Lead Independent Director
❋

MS KORY SORENSON
Independent Director
☆ ✱

M. CÉSAR GIRON
Director
✪ ❋

M. PAUL-CHARLES RICARD
Permanent representative of Société Paul Ricard, Director

M. GILLES SAMYN
Independent Director
☆

MS MARIA JESUS CARRASCO LOPEZ
Director representing the employees

MS MARTINA GONZALEZ-GALLARZA
Director

Pernod Ricard

M. HERVÉ JOUANNO
Representative of the Social and Economic Committee (non Director)

MS ANNE LANGE
Independent Director
✪

M. STÉPHANE EMERY
Director representing the employees
✱

M. WOLFGANG COLBERG
Independent Director
✪ ☆ ❋

MS VERONICA VARGAS
Director

MS NICOLE BOUTON
Independent Director
❋ ✱

M. ALEXANDRE RICARD
Chairman and Chief Executive Officer
✪

M. PIERRE PRINGUET
Vice-Chairman of the Board of Directors
✪ ✱

✪ STRATEGIC COMMITTEE
☆ AUDIT COMMITTEE
❋ NOMINATIONS, GOVERNANCE AND CSR COMMITTEE
✱ COMPENSATION COMMITTEE

				✓
			✓	
		✓	✓	
	✓		✓	✓
		✓		✓
	✓			
	✓	✓		
				✓
			✓	✓
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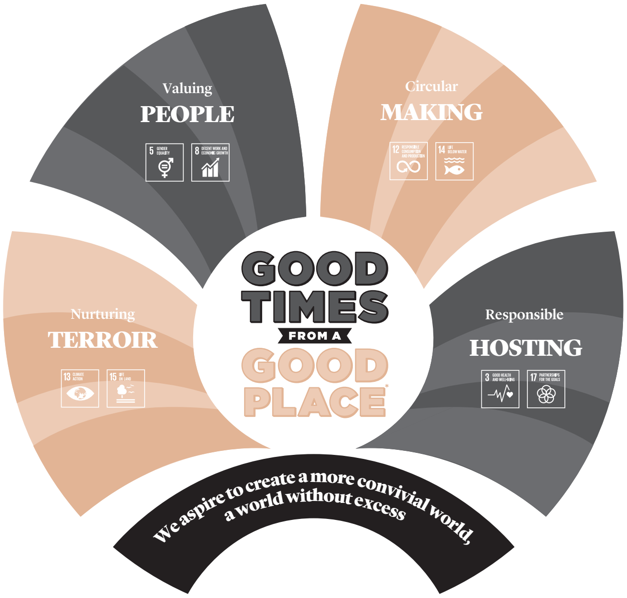
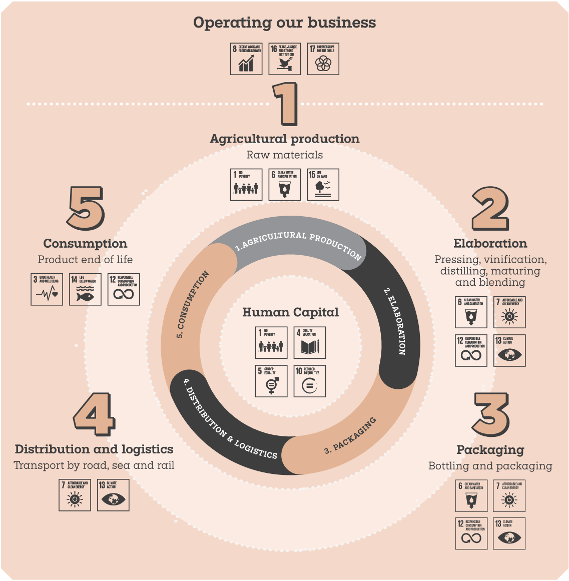
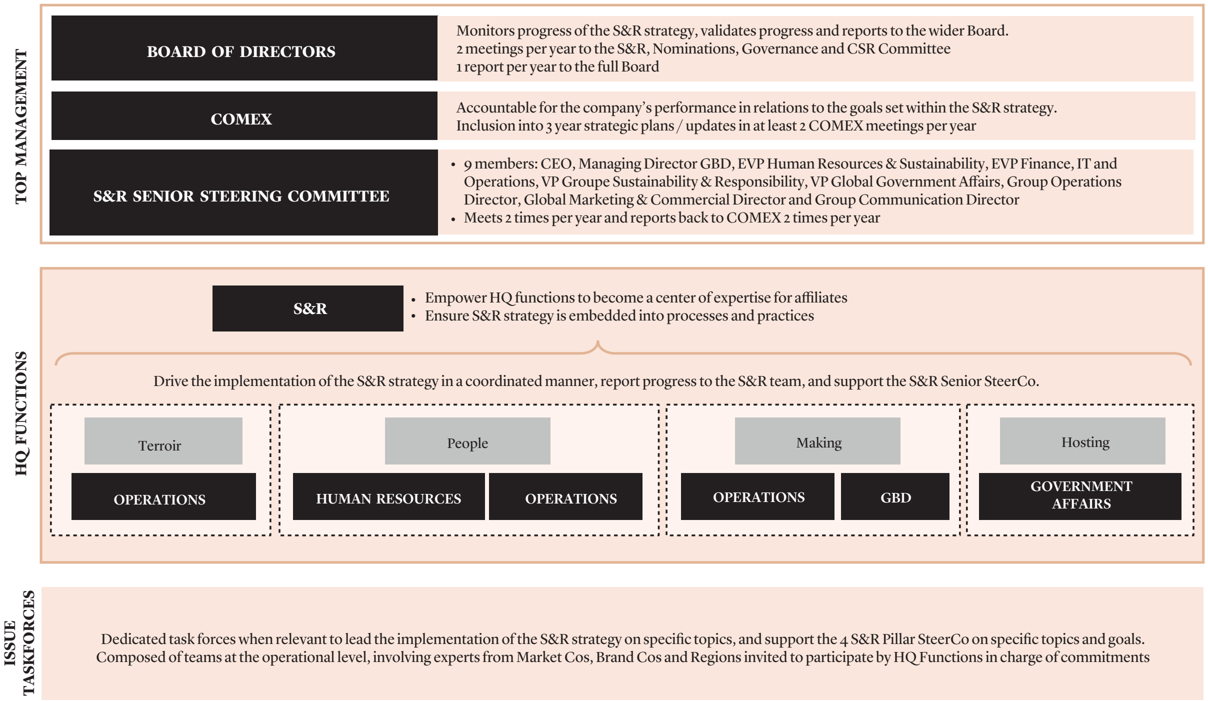
		✓		

Section 3


Valuing
PEOPLE
5
8
Circular
MAKING
12
14
Nurturing
TERROIR
13
15
GOOD TIMES
FROM A
GOOD PLACE
Responsible
HOSTING
3
17
We aspire to create a more convivial world,
a world without excess


Operating our business
8 DECENT WORK AND ECONOMIC GROWTH
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS
1
Agricultural production
Raw materials
1 NO POVERTY
6 CLEAN WATER AND SANITATION
15 LIFE ON LAND
2
Elaboration
Pressing, vinification, distilling, maturing and blending
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
3
Packaging
Bottling and packaging
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
4
Distribution and logistics
Transport by road, sea and rail
7 AFFORDABLE AND CLEAN ENERGY
13 CLIMATE ACTION
5
Consumption
Product end of life
3 GOOD HEALTH AND WELL-BEING
14 LIFE BELOW WATER
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
1.AGRICULTURAL PRODUCTION
2. ELABORATION
3. PACKAGING
4. DISTRIBUTION & LOGISTICS
5. CONSUMPTION
Human Capital
1 NO POVERTY
4 QUALITY EDUCATION
5 GENDER EQUALITY
10 REDUCED INEQUALITIES



TOP MANAGEMENT

BOARD OF DIRECTORS	Monitors progress of the S&R strategy, validates progress and reports to the wider Board. 2 meetings per year to the S&R, Nominations, Governance and CSR Committee 1 report per year to the full Board
COMEX	Accountable for the company's performance in relations to the goals set within the S&R strategy. Inclusion into 3 year strategic plans / updates in at least 2 COMEX meetings per year
S&R SENIOR STEERING COMMITTEE	• 9 members: CEO, Managing Director GBD, EVP Human Resources & Sustainability, EVP Finance, IT and Operations, VP Groupe Sustainability & Responsibility, VP Global Government Affairs, Group Operations Director, Global Marketing & Commercial Director and Group Communication Director • Meets 2 times per year and reports back to COMEX 2 times per year

HQ FUNCTIONS

S&R

- Empower HQ functions to become a center of expertise for affiliates
- Ensure S&R strategy is embedded into processes and practices

Drive the implementation of the S&R strategy in a coordinated manner, report progress to the S&R team, and support the S&R Senior SteerCo.

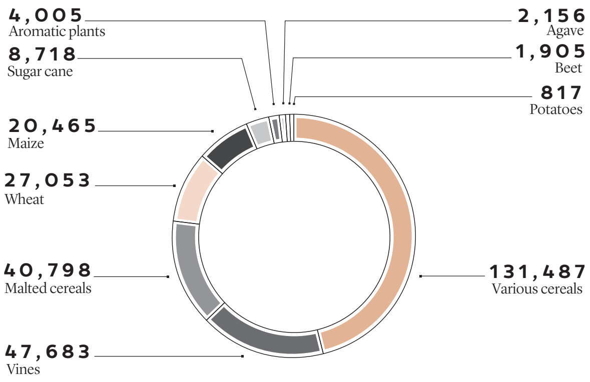
Terroir	People	Making	Hosting
OPERATIONS	**HUMAN RESOURCES** **OPERATIONS**	**OPERATIONS** **GBD**	**GOVERNMENT AFFAIRS**

ISSUE TASKFORCES

Dedicated task forces when relevant to lead the implementation of the S&R strategy on specific topics, and support the 4 S&R Pillar SteerCo on specific topics and goals. Composed of teams at the operational level, involving experts from Market Cos, Brand Cos and Regions invited to participate by HQ Functions in charge of commitments

13 CLIMATE ACTION

15 LIFE ON LAND



5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

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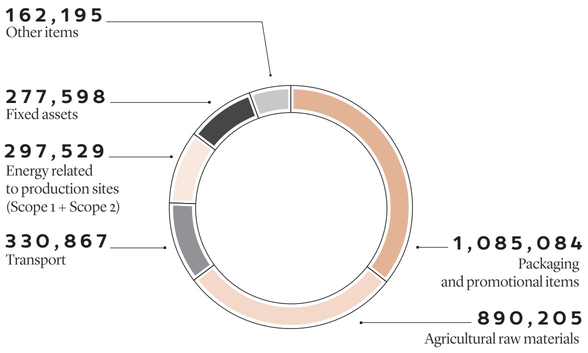
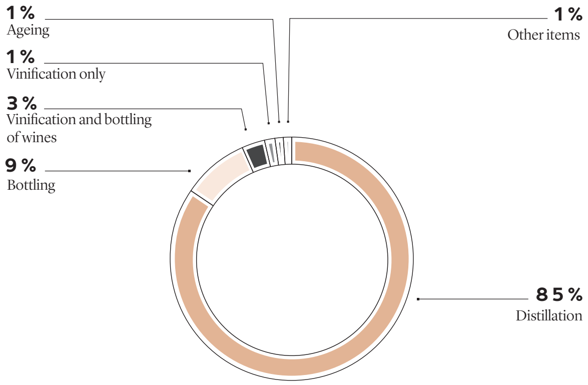
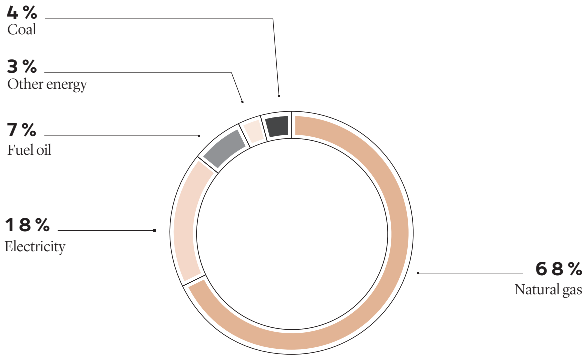
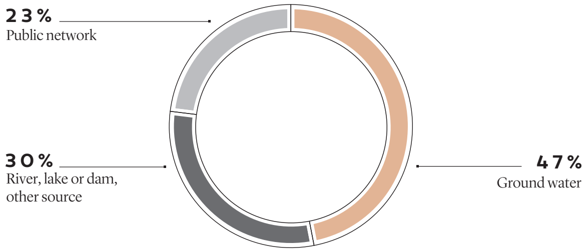
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

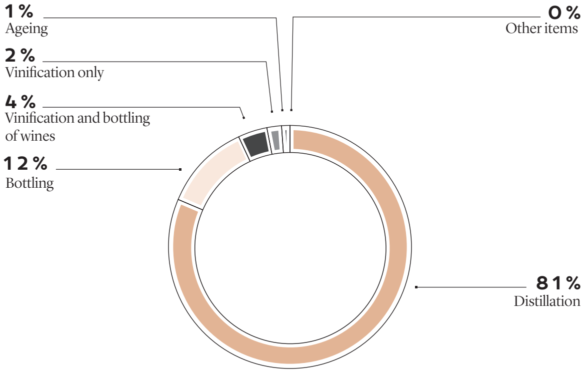
14 LIFE BELOW WATER


162,195
Other items
277,598
Fixed assets
297,529
Energy related to production sites (Scope 1 + Scope 2)
330,867
Transport
1,085,084
Packaging and promotional items
890,205
Agricultural raw materials


1%
Ageing
1%
Vinification only
3%
Vinification and bottling of wines
9%
Bottling
1%
Other items
85%
Distillation

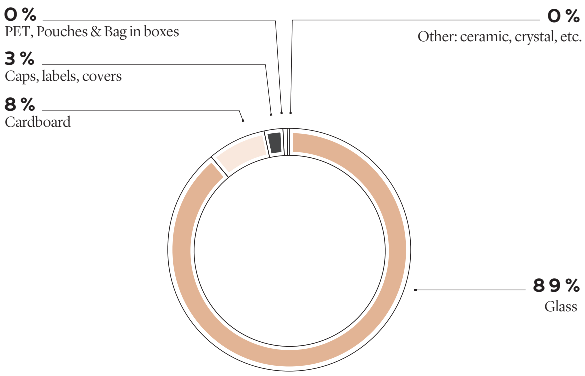

4%
Coal
3%
Other energy
7%
Fuel oil
18%
Electricity
68%
Natural gas


23%
Public network
30%
River, lake or dam, other source
47%
Ground water


1%
Ageing
0%
Other items
2%
Vinification only
4%
Vinification and bottling of wines
12%
Bottling
81%
Distillation

[3]

[3]


0 %
PET, Pouches & Bag in boxes
3 %
Caps, labels, covers
8 %
Cardboard
0 %
Other: ceramic, crystal, etc.
89 %
Glass

3 GOOD HEALTH AND WELL-BEING

17 PARTNERSHIPS FOR THE GOALS

15 LIFE ON LAND
7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

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1 NO POVERTY
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10 REDUCED INEQUALITIES
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12 RESPONSIBLE CONSUMPTION AND PRODUCTION
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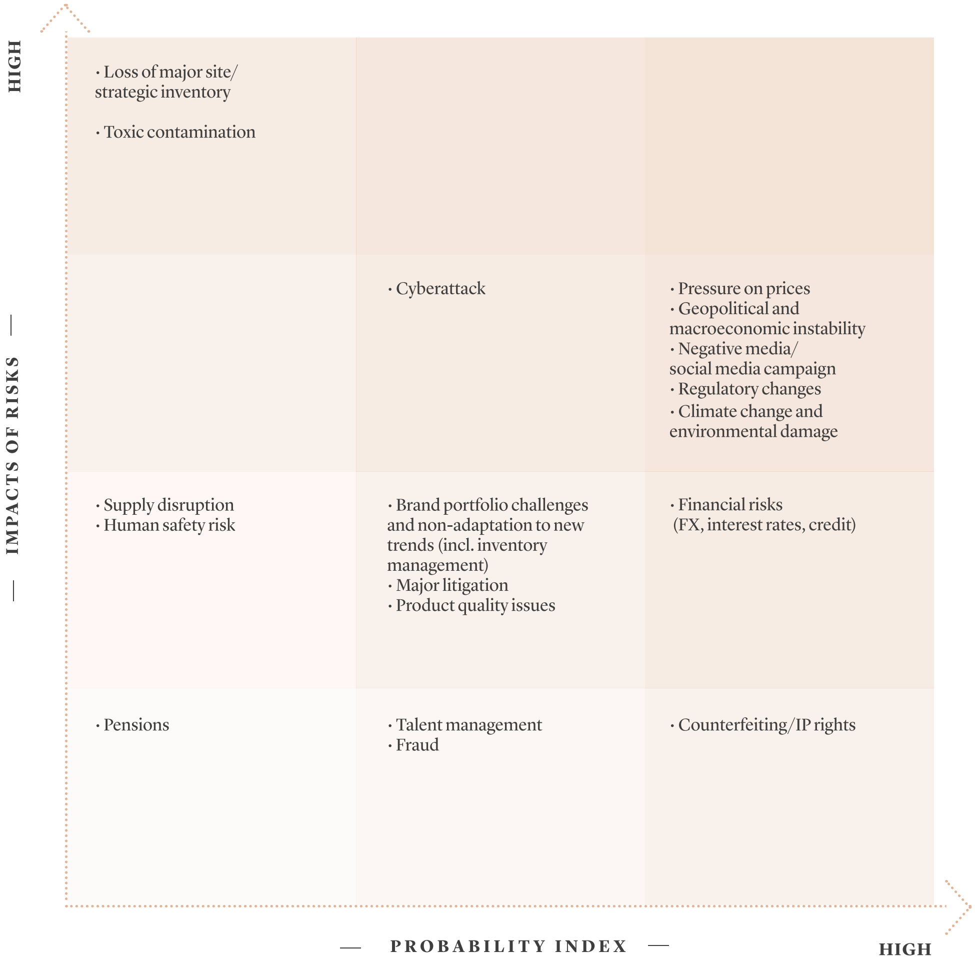
14 LIFE BELOW WATER
6 CLEAN WATER AND SANITATION
13 CLIMATE ACTION

3 GOOD HEALTH AND WELL-BEING
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
17 PARTNERSHIPS FOR THE GOALS

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Section 4



· Loss of major site/ strategic inventory · Toxic contamination		
	· Cyberattack	· Pressure on prices · Geopolitical and macroeconomic instability · Negative media/ social media campaign · Regulatory changes · Climate change and environmental damage
· Supply disruption · Human safety risk	· Brand portfolio challenges and non-adaptation to new trends (incl. inventory management) · Major litigation · Product quality issues	· Financial risks (FX, interest rates, credit)
· Pensions	· Talent management · Fraud	· Counterfeiting/IP rights

Section 5

Pernod Ricard *Créateurs de convivialité*	Better, Agile, Together **TRANSFORM AND ACCELERATE**	**MEDIUM-TERM** AMBITION	**FY19** ACHIEVEMENTS	
STRATEGIC PILLARS	Leverage unique premium portfolio		Innovation: +**26 %** Luxury: +**14%**	✓
	WIN IN **4 KEY MARKETS:** Develop USA Broaden leadership in China Broaden leadership in India Develop premium+ Travel Retail leadership	**MSD**[1] growth **HSD to LDD**[2] growth **LDD**[3] growth	+ **4 %** (Sell-out)[4] +**21%** +**20%** +**6%**	✓
	Leverage our **Sustainability & Responsibility** strategy		Roll-out of **2030 roadmap**, building on previous **2020 plan**	✓
FINANCIAL KPIs	**SALES**	+4% to +7%	+ **6.0%**	✓
	REVENUE GROWTH MANAGEMENT	Promotional effectiveness Active price management	+**2%** -	✓
	OPERATIONAL EXCELLENCE	FY16-20: **€200m** FY20-21 : **€100m**	**100% complete** -	✓
	SUSTAINED A&P INVESTMENT	c. 16%	**16.5%**	✓
	STRUCTURE COST DISCIPLINE	< Sales growth	+**4%**	✓
	OPERATING LEVERAGE	c. 50-60bps	+**74bps**	✓

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Section 6

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Section 8

Section 2

Section 10

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Créateurs de convivialité

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